DET BLÅ DANMARK

Finans-, Kapital- og Forsikringskonference
24. April 2009

Erik Bastiansen

MSR-Consult

Indhold

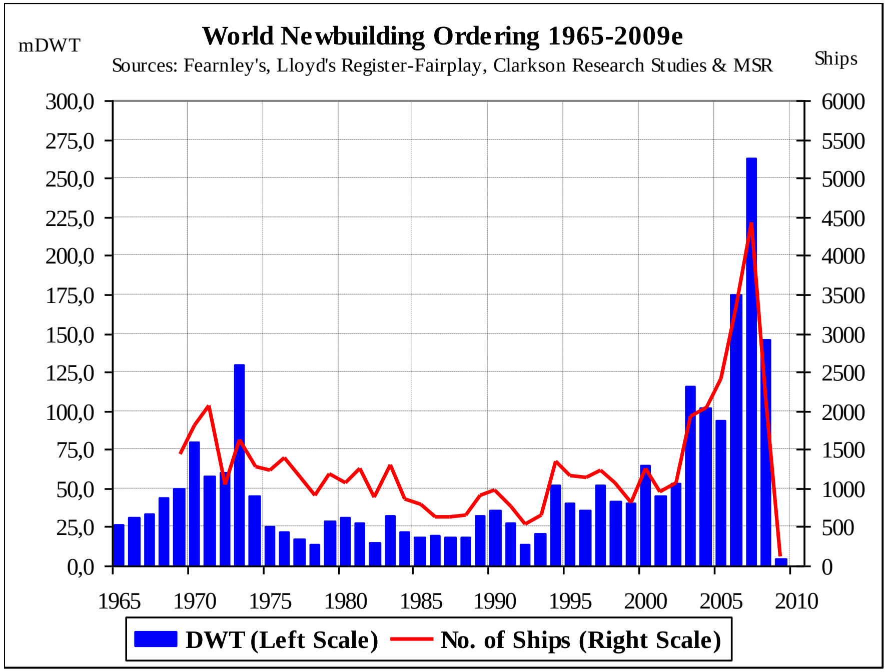
- **Et historisk tilbageblik**

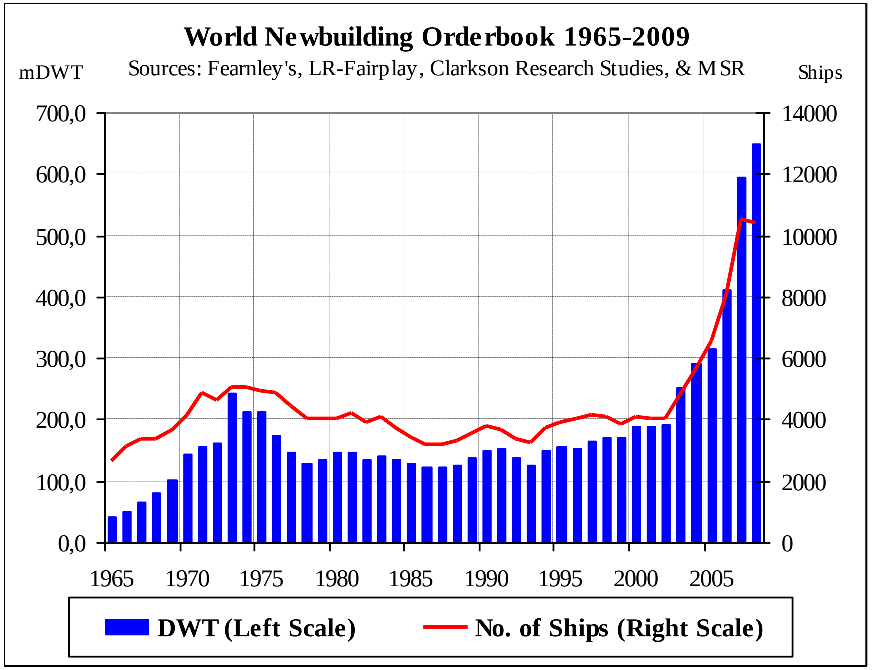
- **Usikkerheder og beslutningsproblemer: Prognoser for nedgangen i 2008/09**

- **Scenarier for udviklingen på mellemlangt og langt sigt**

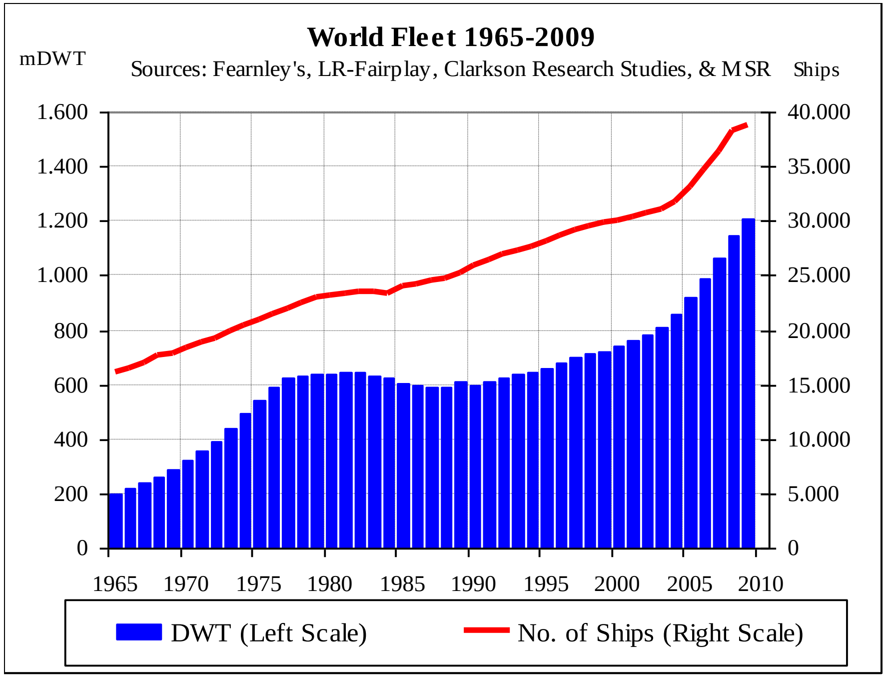
The 2003-08 Boom In a Long-Term Historical Perspective

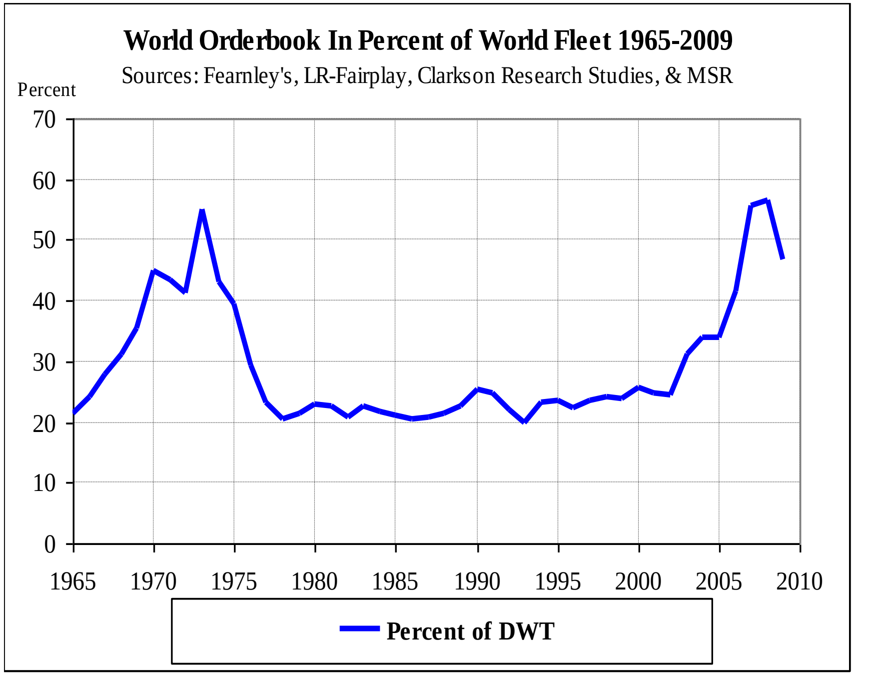
World Contracting and Orderbook of Tonnage (DWT) and No. of Ships





Orderbook In Percent of Fleet, End Year





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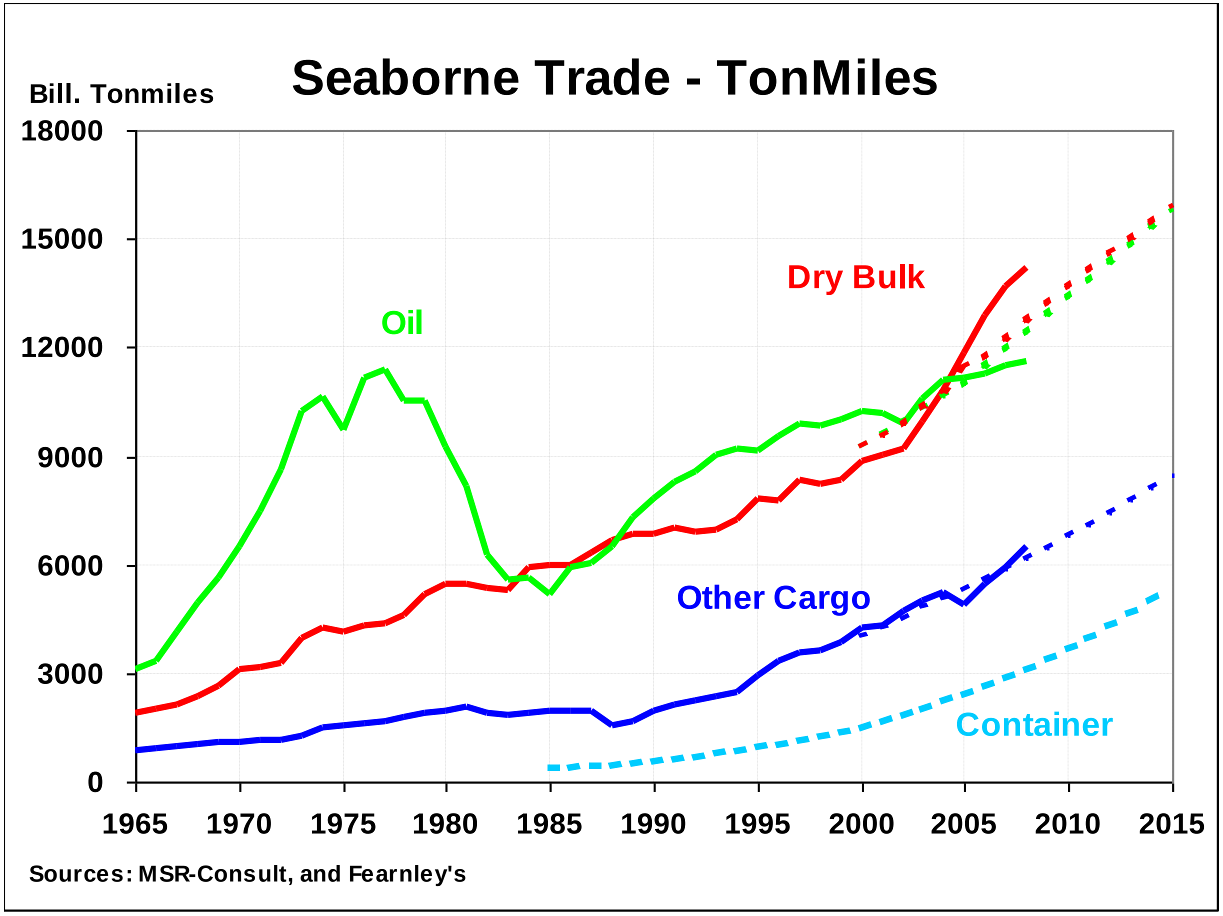
The 2003-2008 Boom In Perspective

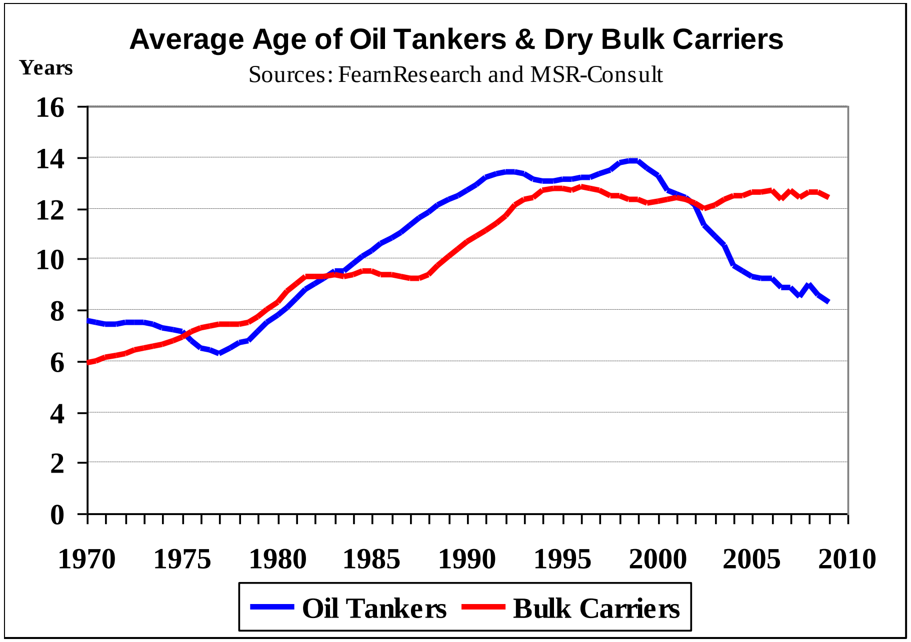
- Is the current starting-point and outlook better or worse than in the early/mid 1970s?
  - The current gap
  - Future demand growth
  - Cancellations of current orders
  - Future decommissioning
  - Future contracting of newbuildings

World Seaborne Trade 1965-2015

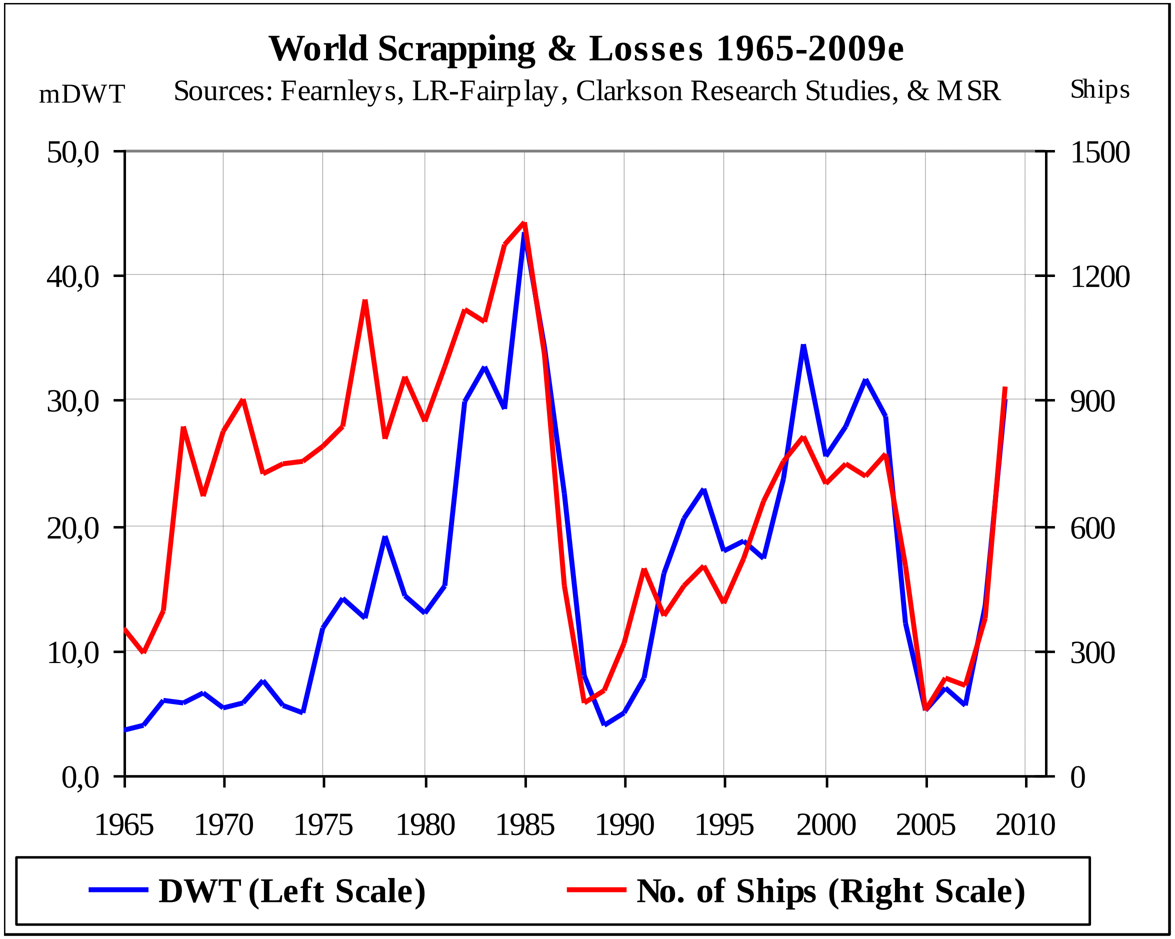


Cancellations and Decommissioning

- Cancellations
  - Ordering 1973-74 (Fearnleys): 175,3 mDWT
  - Ships actually delivered (LRF): 116,2 mDWT
  - Cancellations, % of DWT (estimate): 33,7%
- Average age of ships



Yearly Decommissioning of Tonnage

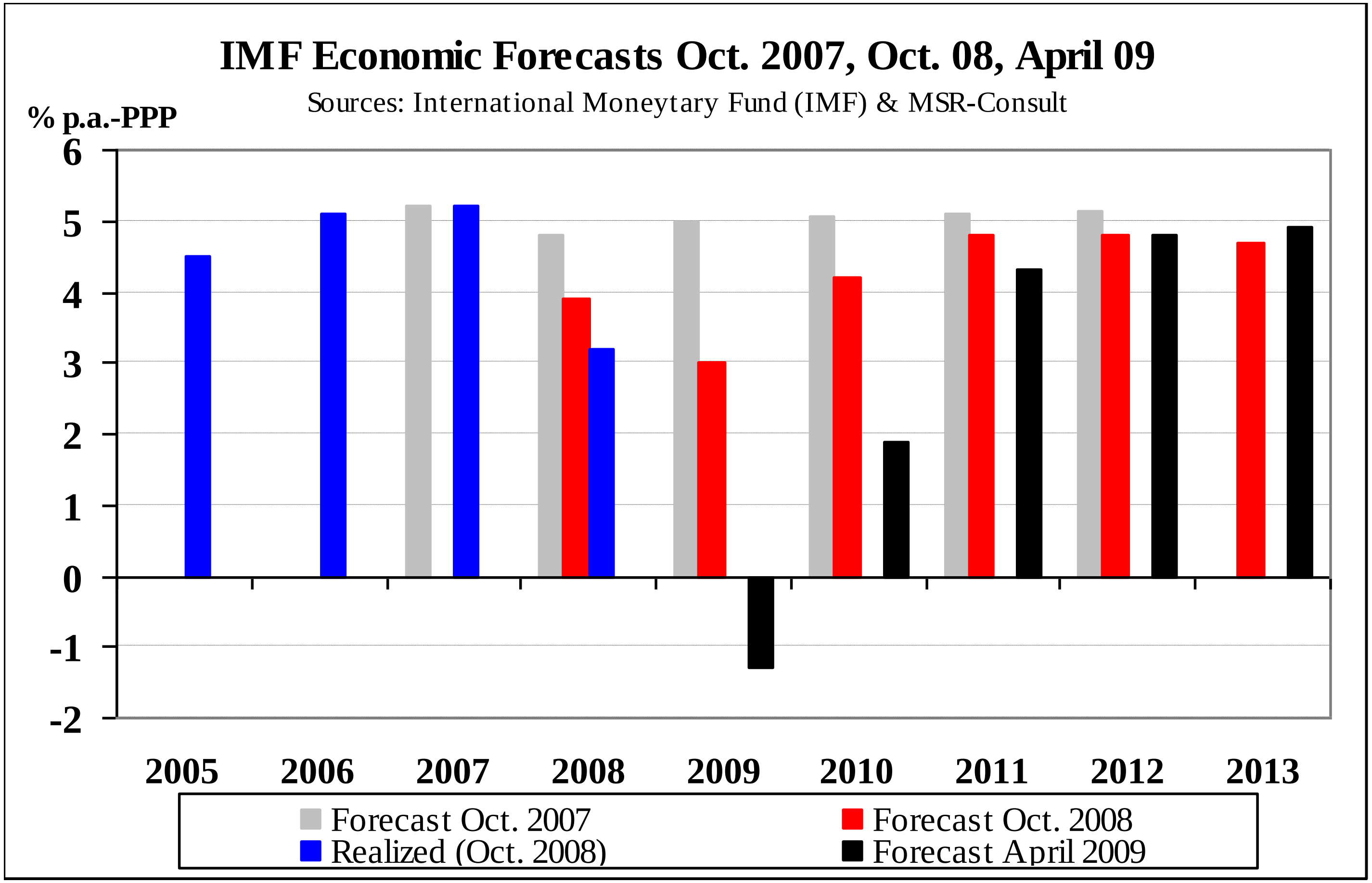


Forecasting the Downturn
In the Contracting of Newbuildings
2008-09

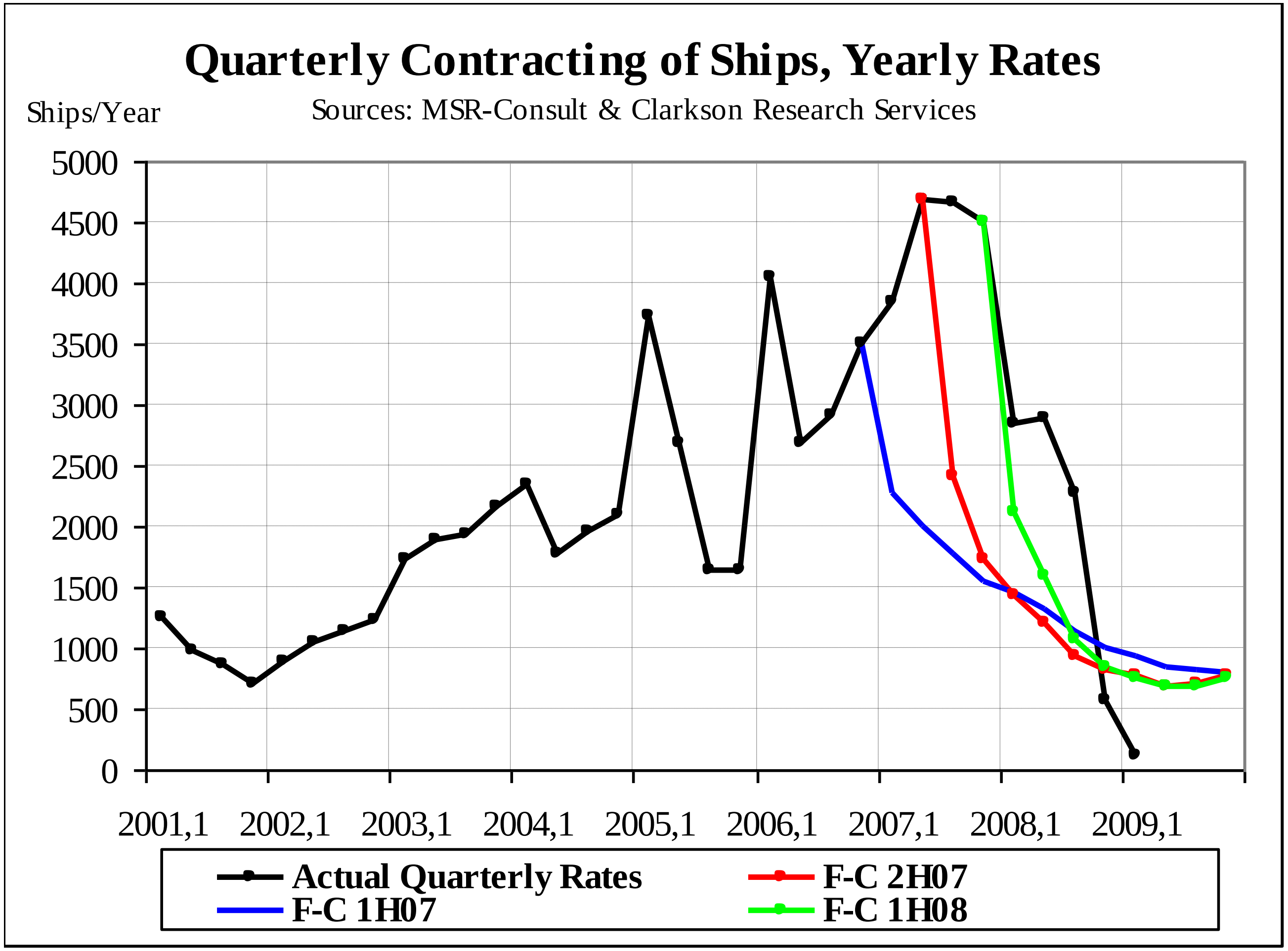
Main Forecast Factors and Problems

- **Forecasts of the world economy**
- **Analytical model forecasting**
- **Market sentiment of owners, yards, banks etc.**
- **Special demand factors**
- **The resulting forecasts during 2007 and 1st half 2008: Too low forecast values**

Forecasts of the World Economy By IMF



Follow-up on MSR's Recent Forecasts



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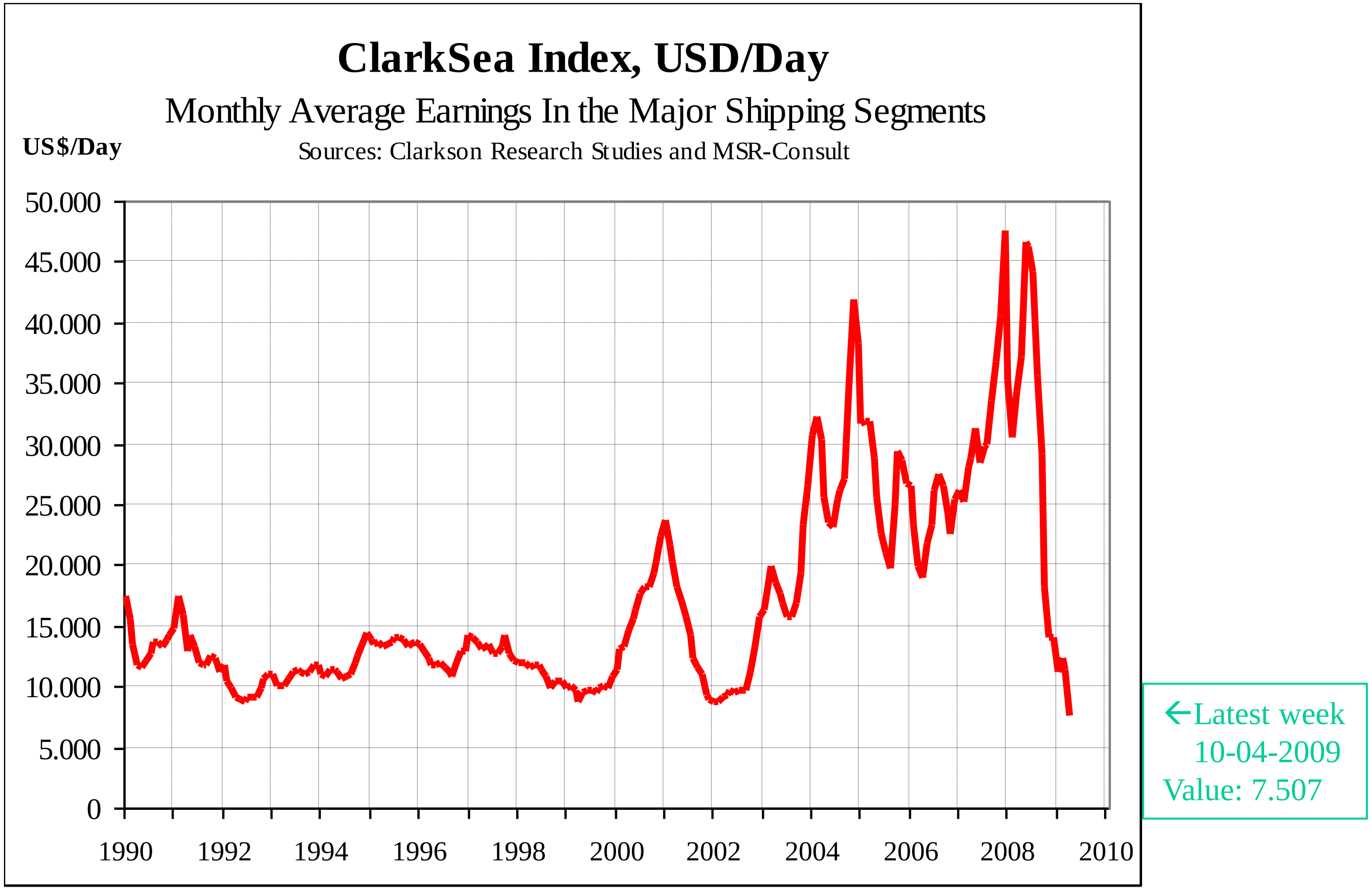
What to Expect For the Future:

Medium- and Long-Term Shipping and Shipbuilding Market

General Freight Market Earnings, US$/Day

Oil Tankers, Dry Bulk Carriers, Gas Carriers and Container Ships



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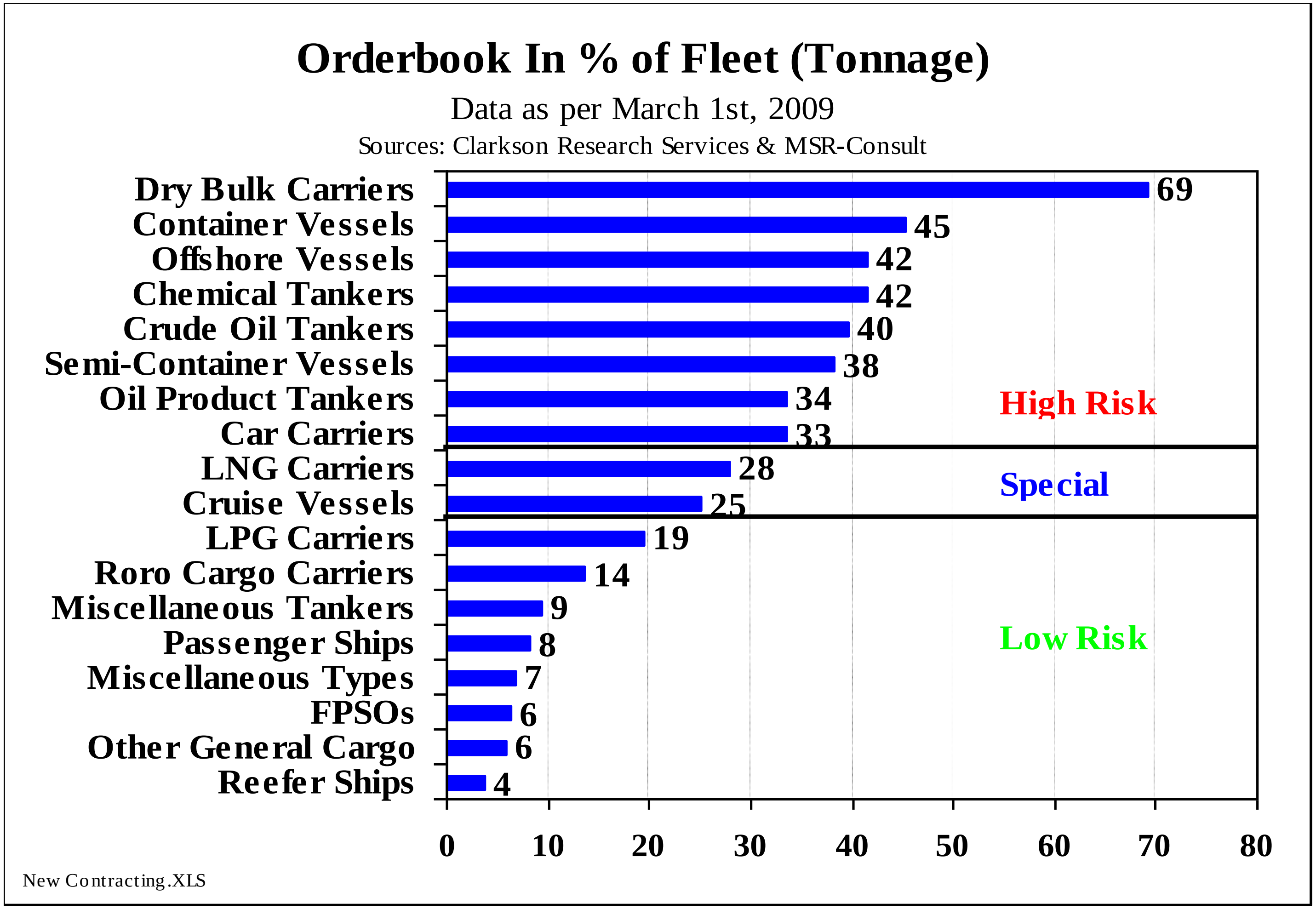
Huge Orderbooks



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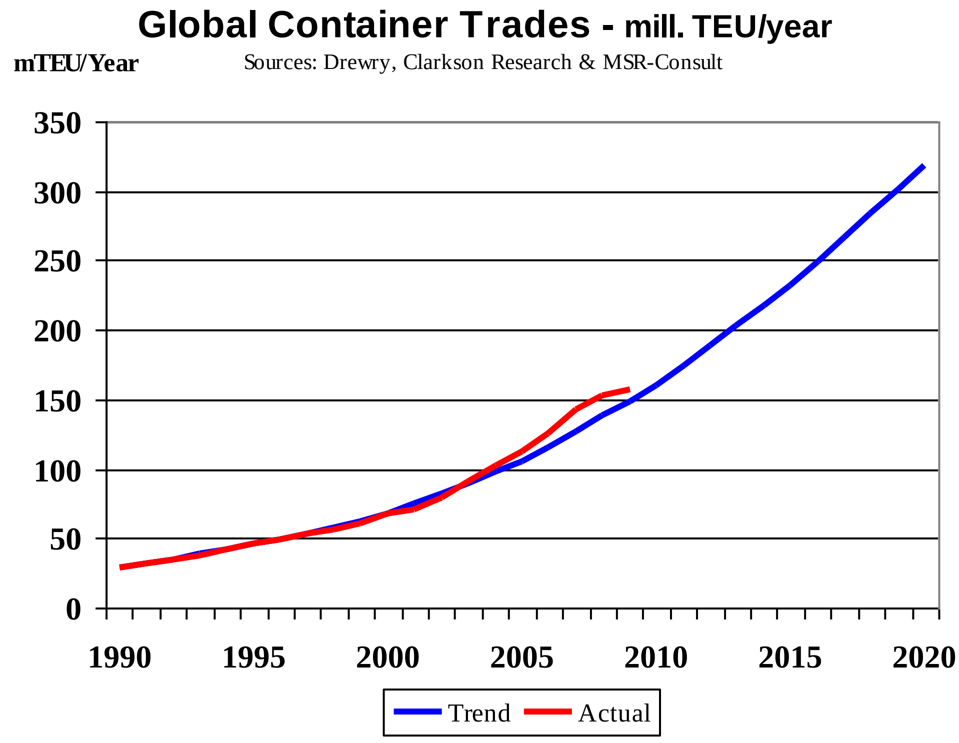
What to Expect For the Future:

Container Shipping

Container Shipping – Demand Side

- **Trade growth**
- **Tonnage demand**
- **Special factors**



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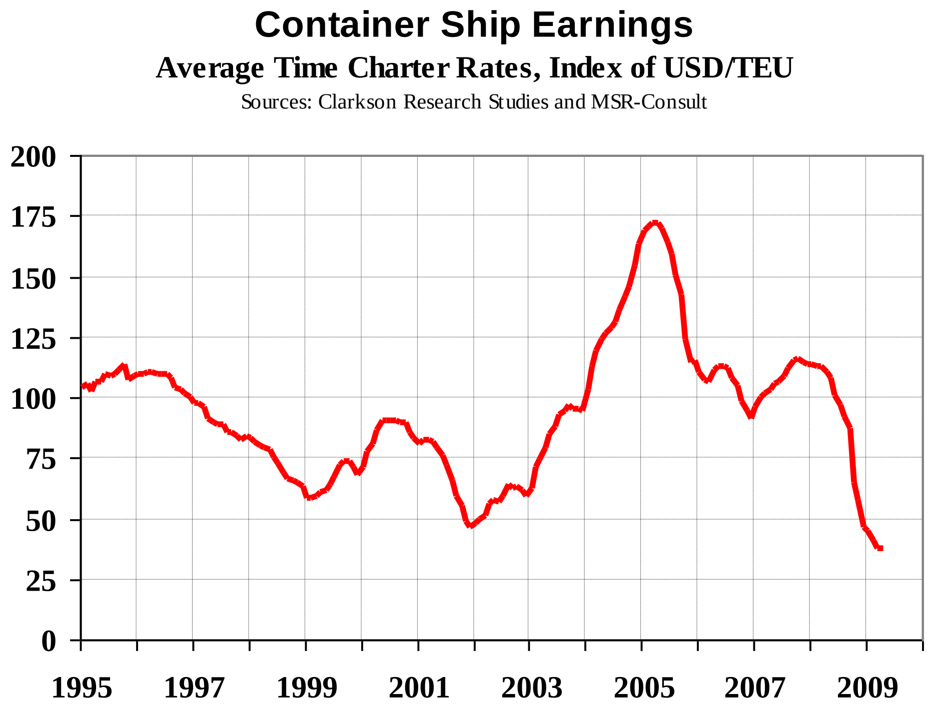
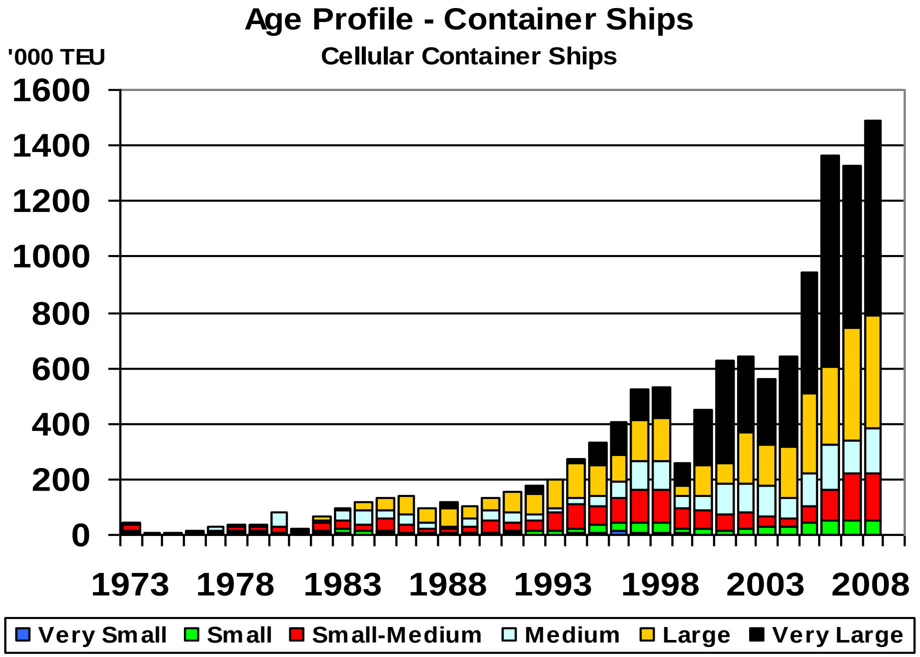
Container Shipping – Demand Side

- **Freight market vs. Charter market**



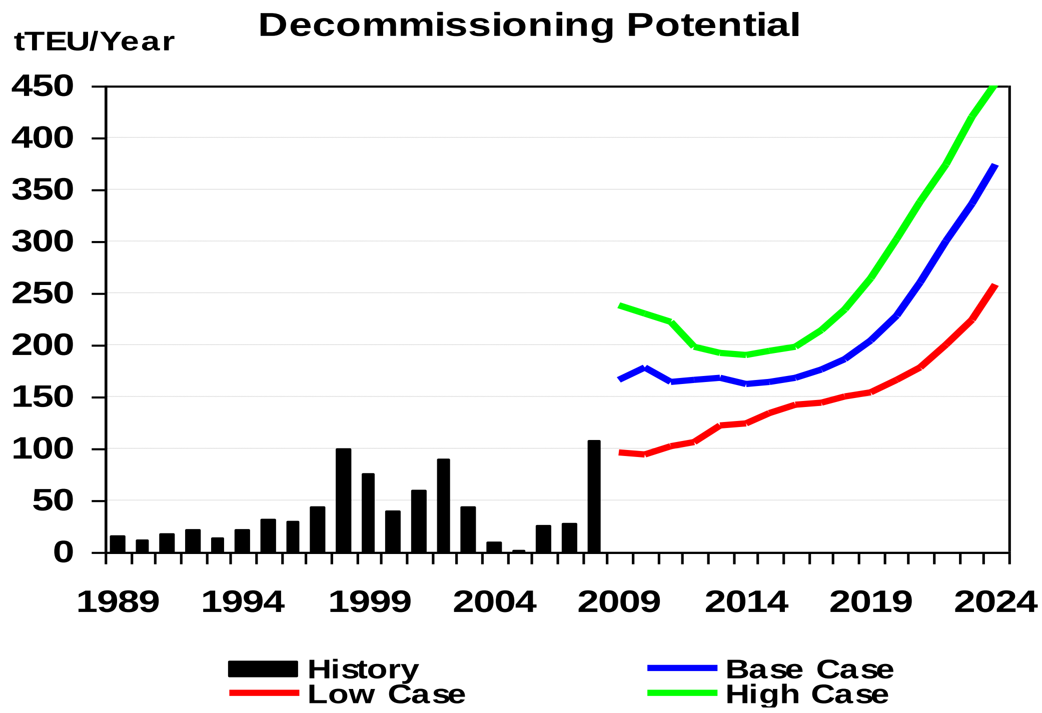
Container Shipping – Supply Side

- Age profile
- Share >20 years:
  - V. small: 49%
  - Small: 16%
  - S.-Medium: 15%:
  - Medium: 15%
  - Large: 6%
  - Very large: 0%



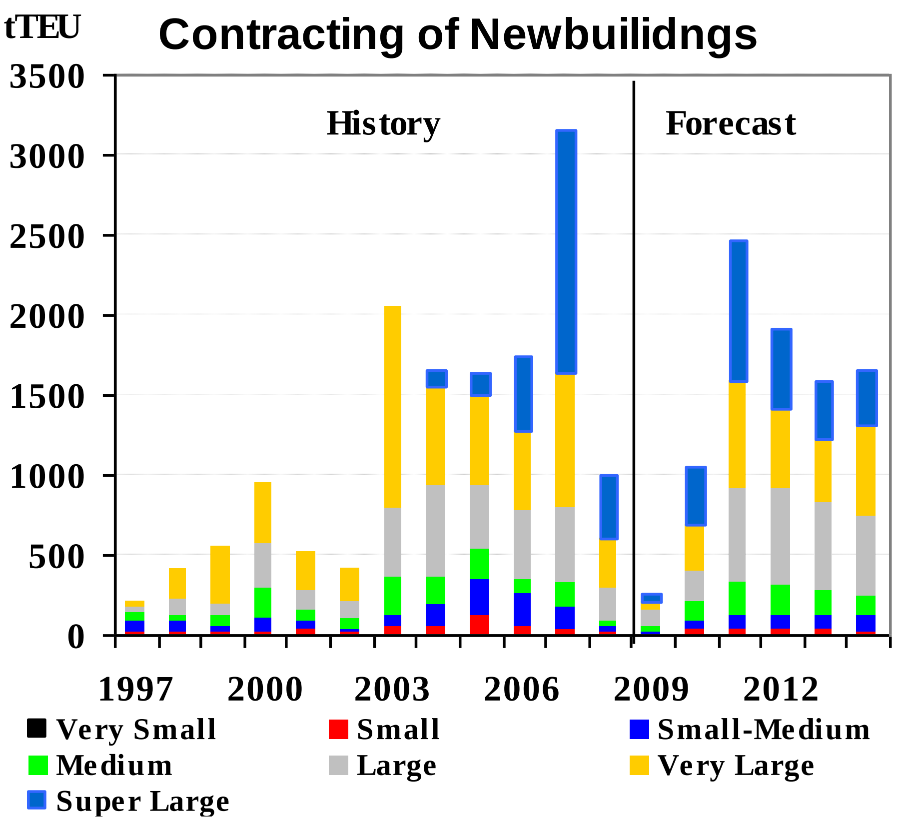
Container Shipping – Supply Side

- **Life times_**
  - **Base case: 27½**
  - **Low case: 30½**
  - **High case: 25½**
- **Decommissioning potential**



Container Shipping – Supply Side

- Contracting of newbuildings



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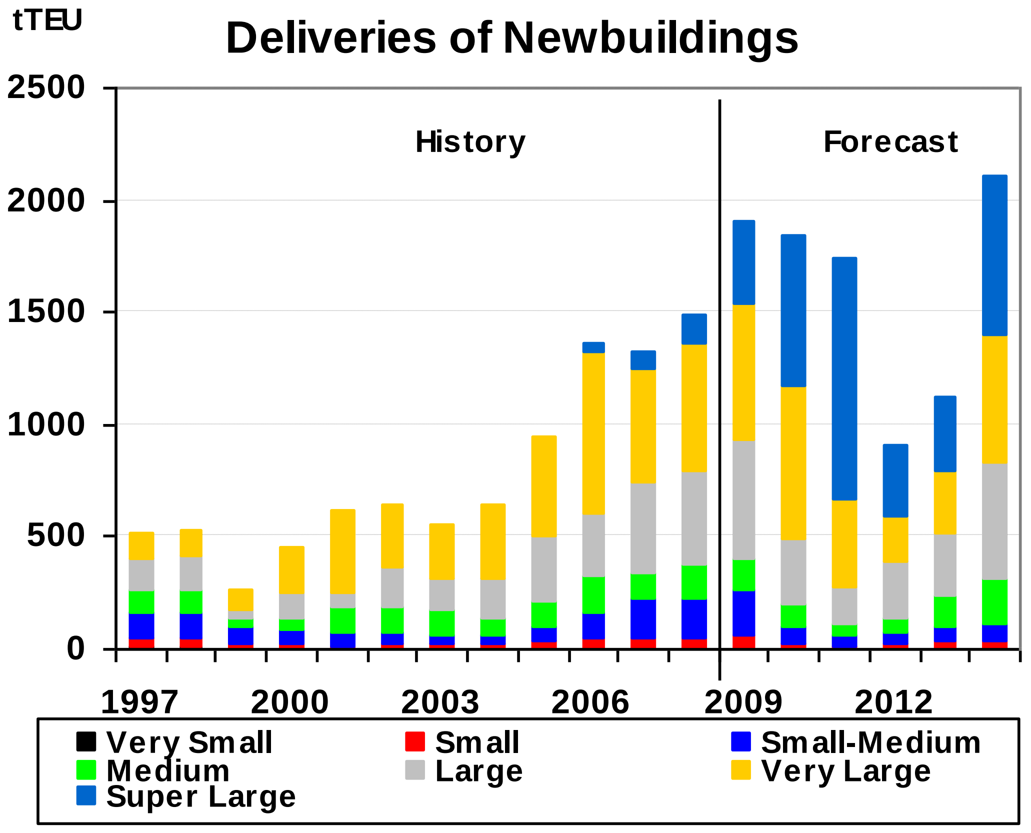
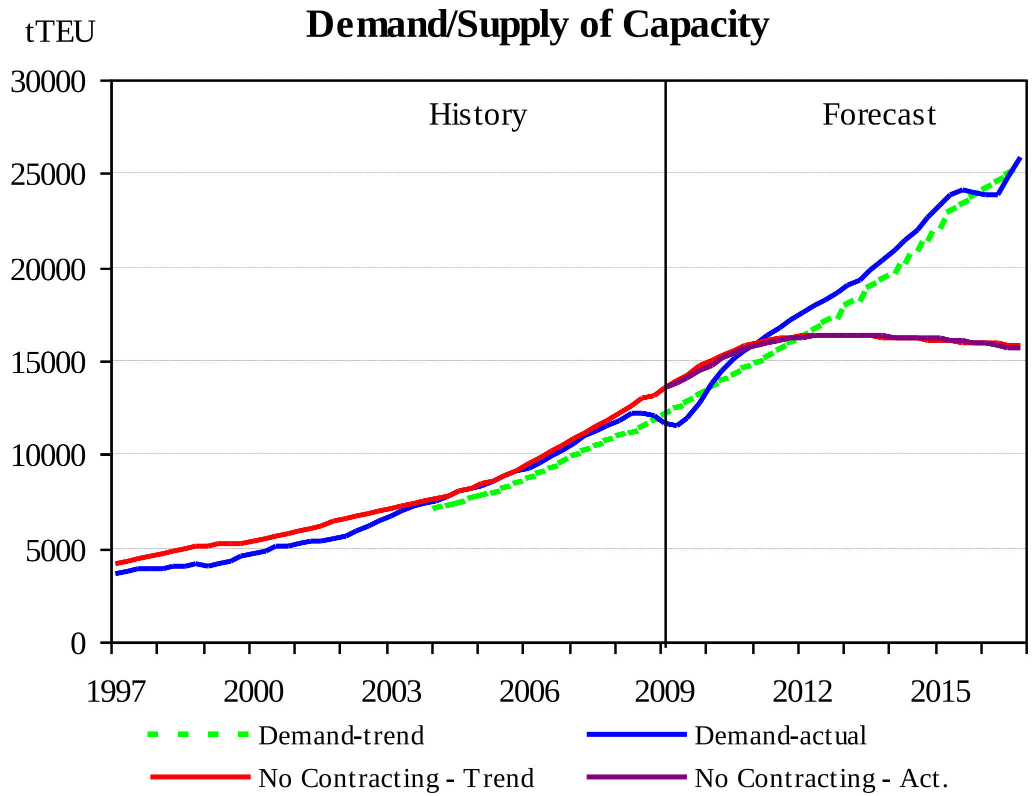
Container Shipping – Supply Side

- **Orderbook**
- **Deliveries**
  - – Cancellations 0,4 mTEU (6%)
  - – No delivery delays included



Container Shipping – Demand/Supply
No Further Contracting Scenario

- **Theoretical scenario:**
  - **No new contracting**
  - **Decommis-sioning**
  - **Orderbook**



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Container Shipping – Demand/Supply No Further Contracting - Sensitivity

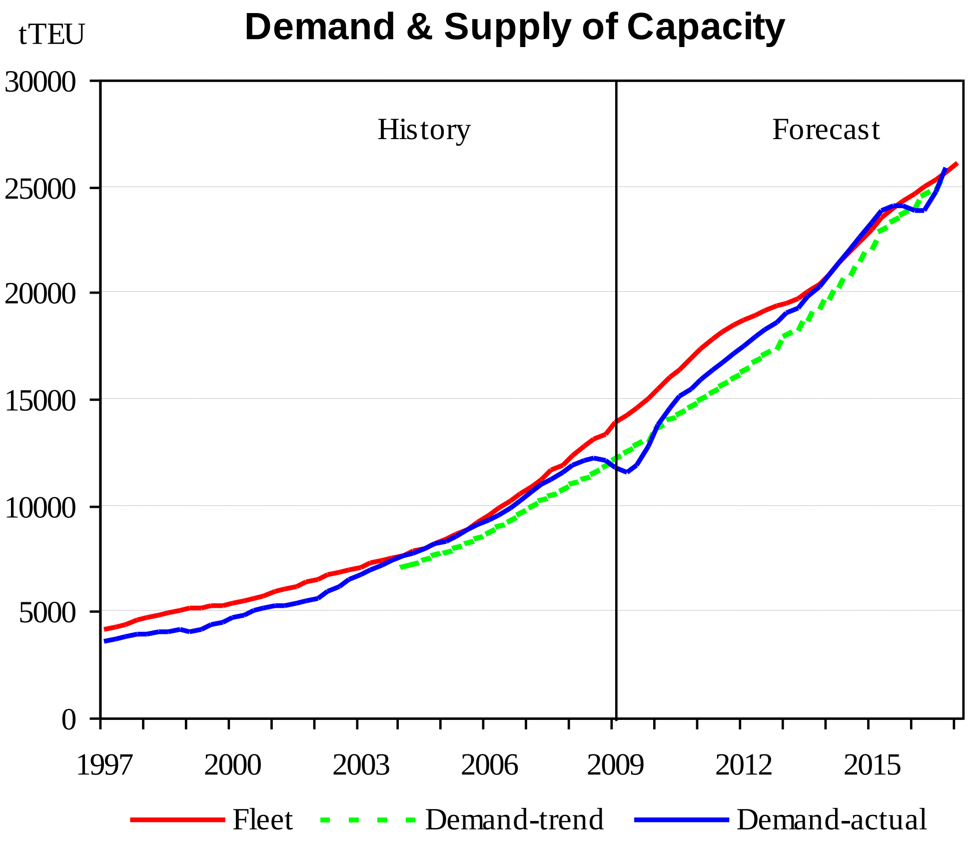
- **Trend in tonnage demand: +/- 1%-point:**
  - **Base case: 1Q11, Low case: 3Q11, High case: 3Q10**

- **Decommissioning: +/- 2½ years:**
  - **Base case: 1Q11, High age: 2Q11, Low age: 1Q11**

- **Cancellations: Base Case: 6%, High Case: 16%**
  - **No Cancellations: 2Q11**
  - **Base case: 1-2Q11, High case: 4Q10-1Q11**

Container Shipping – Demand/Supply Including Forecast Contracting

- **Base case growth**
- **Base case scrapping**
- **Base case cancellations**



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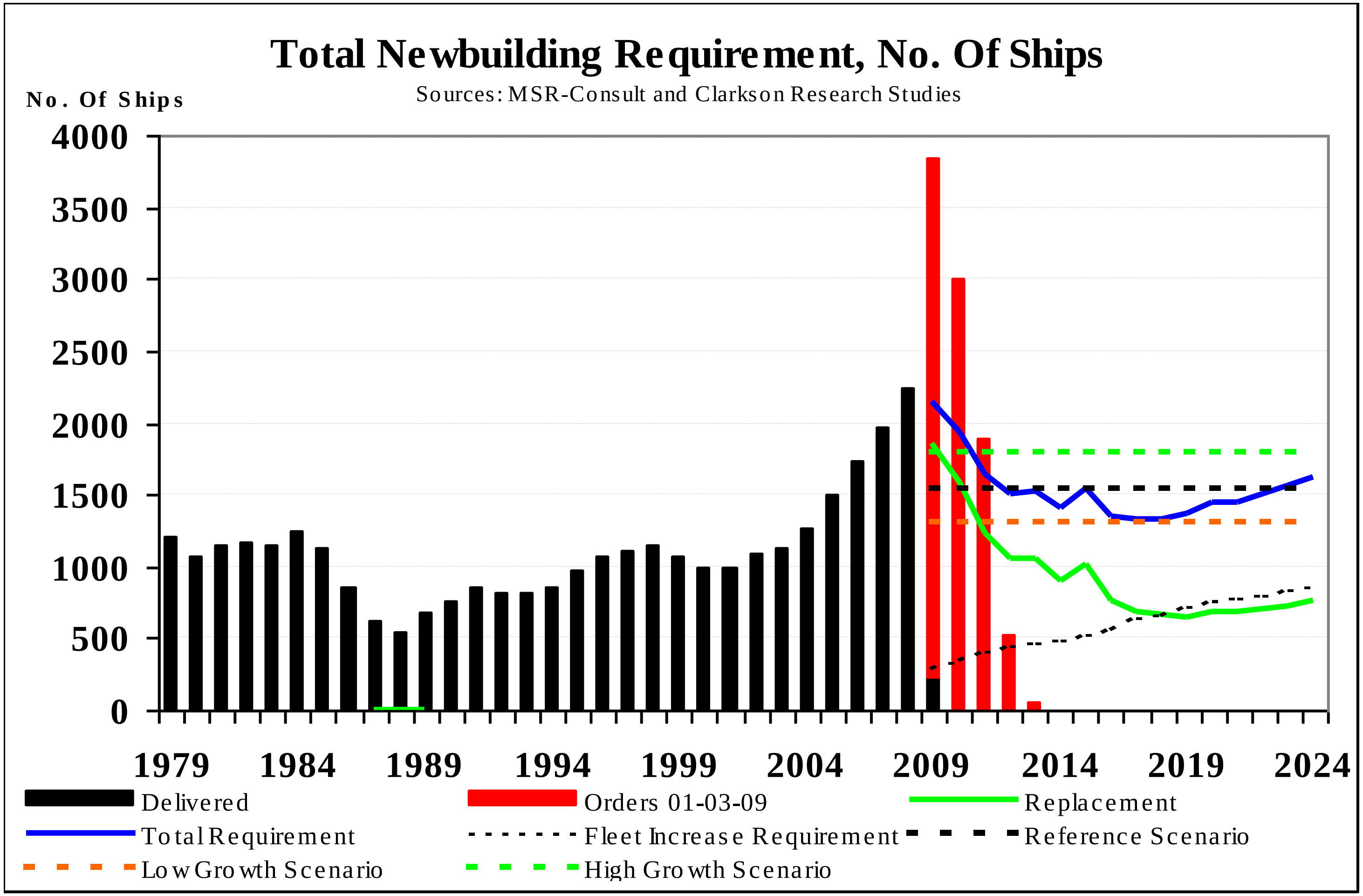
Container Shipping – Demand/Supply Including Contracting - Sensitivity

- **Cancellations: Gap reduced to below ~5%-point:**
  - **No cancellation: 4Q12**
  - **6% cancellation: 3Q12**
  - **16% cancellation: 4Q11**
- **Conclusions**

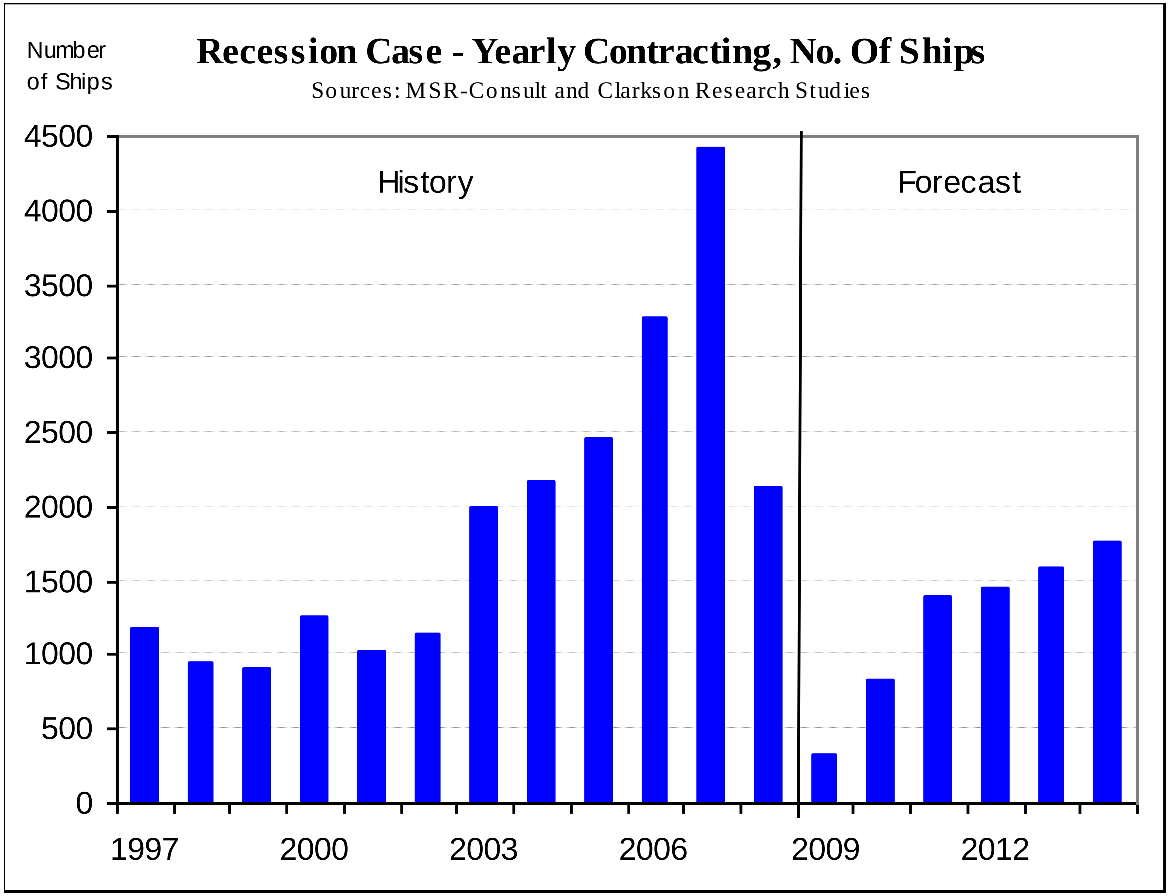
What to Expect For the Future:

Total Shipbuilding
and
Marine Equipment

Long-Term Requirement 2009-24
Annual Deliveries In No. of Ships



Medium-Term Outlook – Contracting No. of Ships



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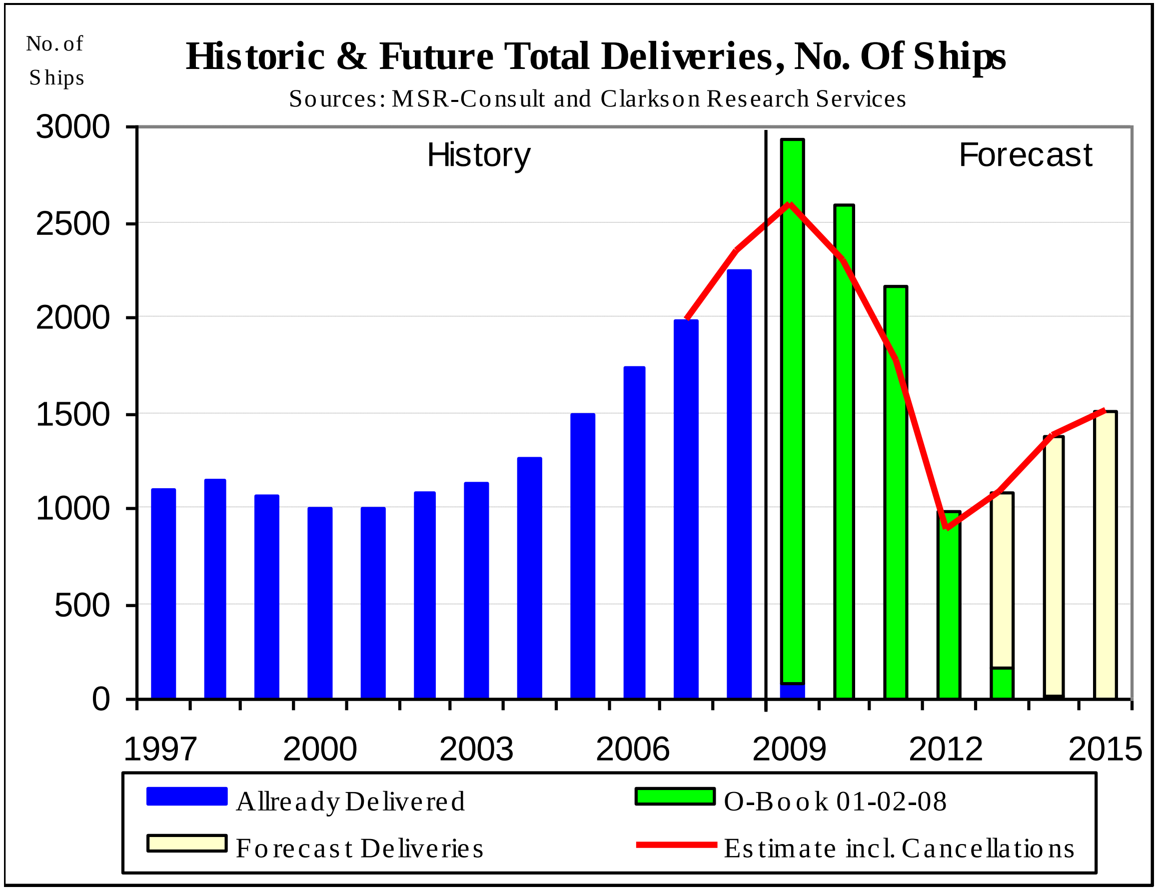
Medium-Term Outlook – Deliveries
No. of Ships



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